Government of Saskatchewan

Annual Report 1982-83

Saskatchewan Industry and Commerce

Table of Contents

Letters of Transmittal 1
Organization Chart 2
Trade and Industry Services Division 3
Regional Services Division 7
Support Services Division 9
Program Summaries 12
- Product Development Program 12
- Small Industry Development Program 12
- Management Development Program 13
- Small Business Interest Abatement Program 13
- Employment Opportunities Program 14
- Special ARDA Program 14
- Operation Recycle Program 15
- Oilfield Servicing Assistance Program 15
- Aid to Trade Program 16
- Saskatchewan Main Street Development Program 16

From the Minister

The Honourable F. W. Johnson
Lieutenant Governor of the Province of Saskatchewan

Sir:

I have the honour to present herewith the Annual Report of Saskatchewan Industry and Commerce for the fiscal year ending March 31, 1983.

A major priority of the Government of Saskatchewan in the 1982-83 fiscal year was to increase economic activity and job opportunities in Saskatchewan. Industry and Commerce played a key role in this strategy. My staff implemented several shifts in emphasis during the year, reflecting the need to increase domestic economic activity and attract investment.

The growth of secondary industry is dependent on increased trade. Of the $4.5 billion of goods exported by Saskatchewan to foreign nations, only a small percentage were manufactured products. My department has placed an increased emphasis on exploiting trade opportunities, by increasing the use of the Aid to Trade Program, by hiring staff with international marketing expertise, through implementing an export counselling service, and by developing a multi-faceted Saskatchewan trade policy.

Increased economic activity is also being promoted by encouraging Saskatchewan manufacturers to produce goods now being imported for use in the province. The Saskatchewan Manufacturing Opportunities Show was held in Regina to acquaint Saskatchewn industry with products currently being purchased from non-Saskatchewan sources by Crown and private corporations and municipal and provincial governments. Department staff began to develop a Major Projects Procurement Policy during the year that is intended to encourage major project proponents to source from Saskatchewan businesses.

My government believes that new investment can provide Saskatchewan with technical expertise and market opportunities. In order to acquaint investors with Saskatchewan, we both invited them to the province and visited them at their base of operations. By doing this, Saskatchewan's international exposure and reputation as a good place to do business was enhanced.

Investors need good information upon which to base their decisions. The department has set up a computerized data bank which provides virtually any information about Saskatchewan an investor might require for an investment decision. Each response is tailored to the individual request and is supplied within days of the initial contact.

Industry and Commerce played an important role in creating an improved environment for business in the province. A key aspect of this was increased consultation with industry in the design of new policies. The department has taken part in the general process of regulatory reform instituted by the Premier at the Open for Business Conference. In order to improve government efficiency, three small grant programs (The Small Business Interest Abatement Program, The Product Development Program, and The Small Industry Development Program) were terminated as of December 31, 1982, and replaced by an administratively straightforward job creation program.

In March, legislation was introduced to create a new Department of Economic Development. Pending approval of the proposed legislation, this will be the final report on the Department of Industry and Commerce.

I wish to recognize the hard work and dedication of my staff and also to acknowledge the excellent co-operation and assistance of other federal, provincial and municipal government departments.

I regret to inform you of the passing of former Deputy Minister Jeff Bugera and Regional Business Representative Bill Best. Their talents will be missed by the government.

Respectfully submitted,

Eric Berntson

Eric Berntson
Minister
Saskatchewan Economic Development and Trade

From the Deputy Minister

Honourable Eric Berntson
Minister
Saskatchewan Economic Development and Trade

Sir:

I have the honour to submit for your consideration the Annual Report for Saskatchewan Industry and Commerce for the period April 1, 1982 to March 31, 1983.

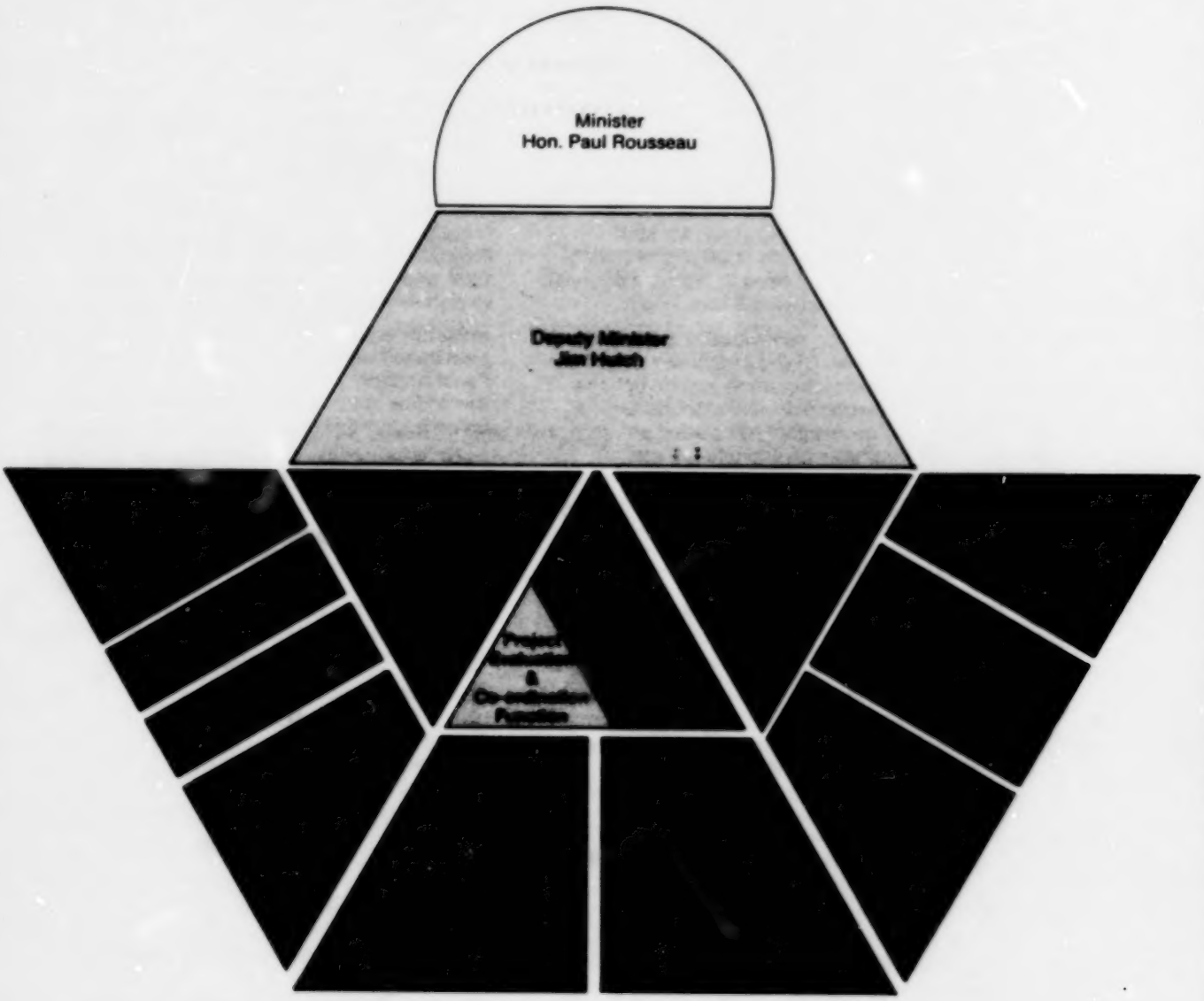
Respectfully submitted,

Don Moroz

Don Moroz
Deputy Minister
Saskatchewan Economic Development and Trade

Organization Chart

(effective March 31, 1983)



*Acting Branch Head

Trade and Industry Services Division

This division has the following primary functions:
— to increase employment and economic development;
— to increase the sale of Saskatchewan-produced goods and services;
— to encourage increased Saskatchewan content in resource development, capital projects and government procurement;
— to facilitate the development of secondary industry in the province, including the research and promotion of industrial opportunities;
— to increase international awareness of Saskatchewan as an attractive place to do business; and
— to increase international awareness of Saskatchewan as having the ability to supply quality goods and services in specific fields.

Three branches carry out these functions: the Trade Branch, the Industry Branch and the Promotions and Procurement Branch.

Trade Branch

The Trade Branch encourages both domestic and export development through support programs to industry and through a continuing service of advice and consultation with individual firms. The major activities of the branch include:

Saskatchewan products and technology are reaching worldwide markets with the assistance of the Aid to Trade Program.

Aid to Trade Program

The Aid to Trade Program offers financial assistance to Saskatchewan firms to expand their markets in Canada and abroad. The assistance is offered to manufacturing and processing firms and selected service companies with technological transfer capabilities to overcome the constraints of a limited provincial market and to bridge deficiencies in existing federal trade assistance.

The program provides assistance to firms introducing new products to national and international markets or cultivating new markets for existing products. Assistance under the program covers firms attending trade fairs here and abroad, including shipping of samples, as well as sharing in market research, product promotion, incoming buyers, and other activities deemed fundamental to a marketing effort.

The department will contribute up to 50 per cent of the costs of the marketing project. This is payable after completion of the endeavour, upon submission of pertinent vouchers and a written report outlining the results.

In 1982-83, the department assisted in 392 projects, up from 264 the year previous. Average assistance per project amounted to $764.32, while the average value of sales generated per grant was estimated to be $23,167.16. Full program statistics for the years 1979-80 through 1982-83 are listed on page 16.

Saskatchewan Implement Buyer's Guide

In 1982-83, over 600,000 copies of the Saskatchewan Implement Buyer's Guide were distributed to farmers, dealers and distributors throughout North America and to Canadian trade posts abroad.

This represents an additional 100,000 copies distributed over the previous year. The extra copies were used to penetrate new markets in Canada and Eastern and Mid-western States of the U.S.A. Manufacturers have received 43,000 inquiries to date, and expect to receive a total of 60,000 by late fall, 1983.

Trade Fairs

The Trade Branch has developed an ongoing program of assistance whereby space is leased at selected industry trade fairs in Canada, the U.S.A. and, in special circumstances, offshore. This space is allocated free-of-charge to

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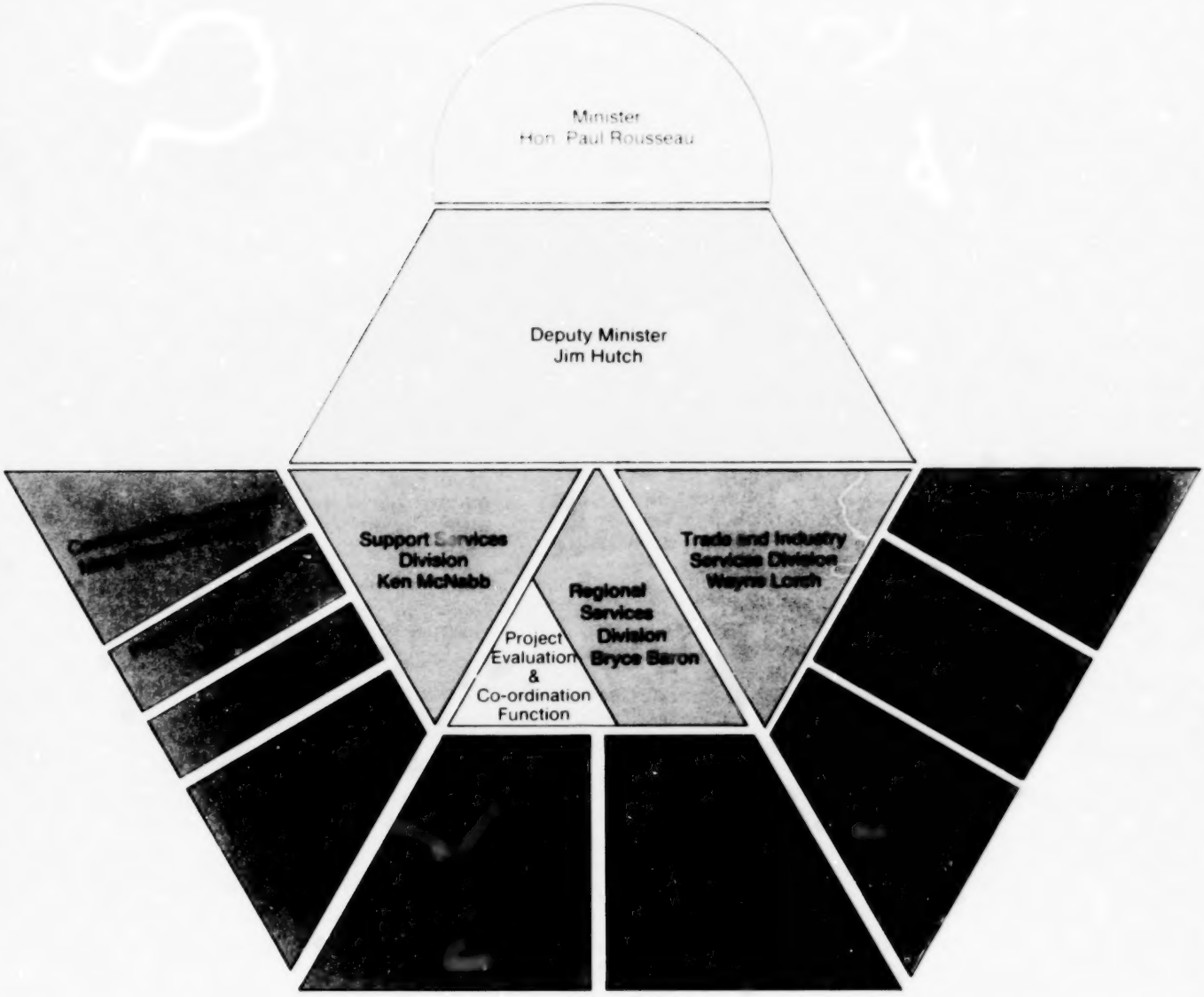

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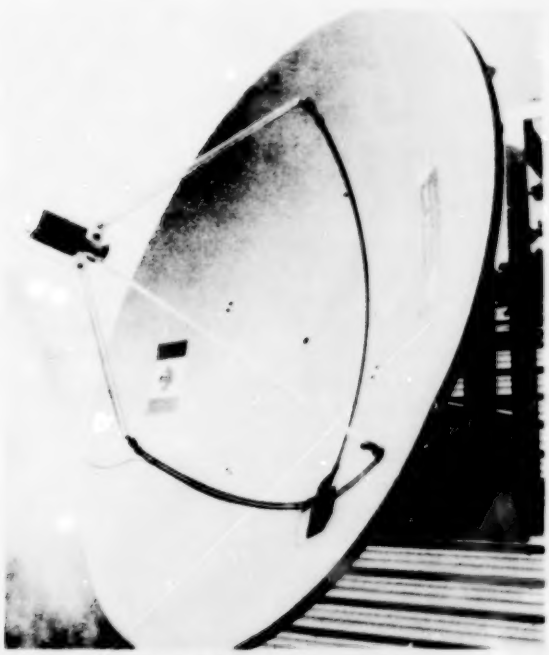

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Saskatchewan manufacturing firms. At some trade fairs, pre-show and show-guide advertising is placed at department expense or cost-shared with participants.

The Western Canada Farm Progress Show has become one of the major displays of farm equipment in North America. The 1982 show attracted visitors from nine foreign nations.

In 1982-83, the Trade Branch leased space at four North American farm machinery shows. Pre-show advertising was placed in specified markets for each of the shows. The shows sponsored in the 1982-83 fiscal year were:

— International Plowing Match and Farm Machinery Show, Lucan, Ontario, August 28 - September 2. Six Saskatchewan companies took part in the show.
— Montana Agri Trade Exposition, Billings, Montana, February 17 - 19. Seventeen companies were in attendance and the department participated in a federal/provincial reception, sponsored for this show.
— Ag Expo, Lethbridge, Alberta, March 2 - 5. Twenty-four Saskatchewan companies were at the show.
— Canadian Western Farm and Ranch Show, Edmonton, Alberta, March 21 - 25. Twenty-six companies were in attendance.

Total direct sales and orders reported by the companies amounted to $700,000.

Other Promotional Activities

The Department of Industry and Commerce was very active during the fifth annual Western Canada Farm Progress Show, held on the Regina Exhibition Grounds, June 16 - 19. The department's activities were co-ordinated by the Trade Branch and included sponsoring an International Lounge during the show, as well as hosting a reception for Saskatchewan manufacturers, their guests and international visitors. Branch staff worked closely with federal Department of Regional Economic Expansion/Industry, Trade and Commerce to attract and co-ordinate international buyers at the show. Delegations from nine foreign countries attended the Western Canada Farm Progress Show, including the United States of America, Mexico, France, Denmark, Hungary, Great Britain, The Netherlands, Nigeria, and the People's Republic of China.

The department was again active in supporting the ninth annual Saskatchewan Handcraft Festival in the Town of Battleford. Funding included a $25,000 contribution to the Saskatchewan Crafts Council, plus $1,000 for the Premier's prize and an additional $1,000 for merit awards. On-site show sales amounted to $120,000. Twenty-three thousand Canadian and foreign visitors attended the four-day event.

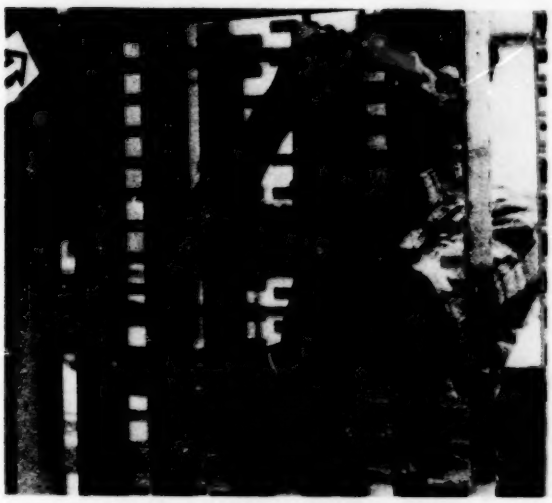
Saskatchewan craftspeople are gaining an international reputation for their quality handiwork.

The branch acted as liaison between the Canadian International Development Agency (CIDA) and Saskatchewan companies eligible to participate in technology transfer fairs sponsored by CIDA throughout the world. This involved the initial selection of companies from appropriate sectors, lobbying on behalf of the firms to ensure their capabilities were recognized during the selection process, and follow-up prior to participation. A total of six firms attended CIDA-sponsored shows in Brazil, Columbia and Singapore.

The department assisted in co-ordinating ad placements for private sector firms in special Canadian supplements appearing in the December, 1982 issues of **Implement & Tractor, World Farming** and **Agriculturas de las Americas.**

The Aid to Trade Program was offered to 10 companies which participated in this promotional activity.

Division Reorganizatio



Inventronics Saskatchewan Limited began producing electronic cabinets at its Moose Jaw facility during fiscal year 1982-83.

The importance of exports to the provincial economy led the department to evaluate the resources being dedicated to the trade promotion function. A divisional reorganization occurred toward the end of fiscal year 1982-83 that recognizes: the need for active market development on behalf of Saskatchewan exporters; the importance of market analysis directed at those markets holding the best potential for Saskatchewan products; and the benefits of an export counselling service based on a thorough understanding of economic and business conditions in importing nations. New staff were hired with responsibilities for the market territories of the United States, the Pacific Rim, Latin America, Europe, and developing nations.

Industry Branch

The Industry Branch has primary responsibility for encouraging and facilitating the establishment of new enterprise in the province, with emphasis on the development of manufacturing and processing industries.

The branch attempts to identify those existing companies and/or investors in the province and other jurisdictions which are likely to expand their production capabilities in the near future, and encourages them to locate or expand in Saskatchewan. To fulfill this role, branch personnel maintain regular contact with consultants and private sector firms, government agencies, and trade associations throughout Canada and other countries.

The branch assists investors who express an interest in establishing new production facilities in Saskatchewan by providing requested information and advising on site selection, regulatory compliance, financing, feasibility analysis, provincial and federal government programs and other areas applicable to the individual case.

As of March 31, 1983, the branch maintained open files on 103 projects in various stages of activity, ranging from preliminary discussion to near commitment to establish new or expanded facilities in the province. Of these 103 projects, 51 were based in the province, while 52 represented interest from out-of-province investors.

The Industry Branch carried out independent in-house research and contracted studies to be completed by consultants. Generally, large market or feasibility studies are cost-shared with the client and contracted to private sector consultants with appropriate expertise. Branch staff play a significant role in selecting the consultants, developing the terms of reference, and monitoring and evaluating the work. Where the request from the business community can be handled using in-house expertise and information, branch research staff will complete the study.

In 1982-83, the cost-shared market and feasibility program administered by the branch completed 16 studies at a total cost to the department of $191,373.32. (A portion of this expenditure, totalling $29,920.61, will be recovered by the province from the Federal Department of Regional Economic Expansion under a cost-sharing agreement.) Studies completed include several in the farm implement, agricultural processing and electronics sectors.

Promotions and Procurement Branch

The Promotions and Procurement Branch is primarily responsible for identifying and expanding market opportunities for Saskatchewan-produced goods and services and assisting Saskatchewan manufacturers and suppliers to maximize their participation in public and private sector purchasing.

The procurement function falls naturally into two components - the demand for, and the supply of, Saskatchewan goods and services. On the demand side, the branch works with the procurement divisions of major public and private sector buyers, advocating the benefits of local sourcing, encouraging the increased use of Saskatchewan manufacturers and suppliers, and promoting policies that give local companies equal opportunity to compete for procurement contracts.

On the supply side, the branch provides project-specific consulting services to Saskatchewan manufacturers and suppliers involved in tendering with provincial government procurement agencies. The branch continued its involvement in the federal/provincial Public Marketing Program and participated in the Institutional Marketing Show held in Winnipeg in October.This show is a 'reverse trade show', where buyers display the products they require and suppliers are the delegates. The Winnipeg show was national in scope, incorporating six industrial sectors. The branch co-ordinated the provincial display of several Saskatchewan public sector purchasing agencies, and sponsored several private sector suppliers attending the show.

The Saskatchewan Manufacturing Opportunities Show was successful at bringing together Saskatchewan-based purchasers with provincial manufacturers and suppliers.

Three major initiatives were begun in 1982-83:

— in conjunction with the Planning Branch, a Major Projects Procurement Policy was designed to enable Saskatchewan manufacturers and suppliers to maximize their participation in major construction and industrial projects. Department staff then met with major developers, particularly in the resource extraction sector, to determine their procurement policies. Their opinions on local sourcing and supply developments were key ingredients in the policy development process. The Major Projects Procurement Policy is scheduled to become operational in the 1983-84 fiscal year.

— toward the end of the fiscal year, the branch began planning the implementation of a comprehensive procurement and import replacement strategy to encourage new investment in Saskatchewan. Import replacement opportunities and broader domestic markets for Saskatchewan-produced goods and services are being created by increasing Saskatchewan content in public sector procurement, Saskatchewan-based major projects and other business/consumer purchasing.

— the branch played a leading role in the first Saskatchewan Manufacturing Opportunities Show, held in Regina during February 1983. The underlying concept of the show was to bring together Saskatchewan-based purchasers with provincial manufacturers and suppliers. Private and public sector purchasing agents displayed those products currently imported into the province they believe could be supplied by local firms. More than 500 business people attended the show and viewed 81 displays. The success of the show was augmented by the production and distribution of a Saskatchewan Manufacturing Opportunities Catalogue, listing the import replacement opportunities identified at the show.

The promotions function involves activities to encourage both Saskatchewan and non-Saskatchewan companies and entrepreneurs to participate in economic activities in the province.

Branch staff provided assistance to the "Open for Business" conference, co-hosted with Air Canada and The Financial Post in October, 1982. The conference attracted over 600 delegates interested in industrial and service opportunities in Saskatchewan.

To help promote indigenous Saskatchewan investment and entrepreneurial activity, the Promotions and Procurement Branch works closely with the Saskatchewan Economic Developers Association, the Saskatchewn Chamber of Commerce and various chambers and trade organizations. As well, the branch maintains a close liaison with Crown corporations and different government departments exploring new opportunities for Saskatchewan manufacturers. A staff member of

the branch acted as secretary-treasurer of the Saskatchewan Economic Developers Association during 1982-83.

Several activities were initiated to encourage non-Saskatchewan manufacturers and businesses to invest and locate in the province. Presentations were made to federal overseas staff on the trade and investment opportunities in Saskatchewan. Seminars and conferences were held across the United States: in Chicago, Los Angeles, Grand Rapids and Atlantic City. Branch staff provided support to the Minister's promotional tour of five European nations. The branch participated in the visit of 40 journalists from the United Kingdom, France, West Germany and Switzerland, who spent one day meeting with officials of various departments and Crown corporations. The journalists were addressed by the Premier, the Minister of Industry and Commerce, and a panel representing government and the Saskatchewan business community.

Staff assisted the Trade Branch to help Saskatchewan companies expand their market area and aided in the promotion of various Saskatchewan-manufactured goods within the province and the United States. Examples of this activity were the Western Canada Farm Progress Show in Regina, the Oil and Gas Show in Montana, and the PIMA Annual Convention in Winnipeg.

The Regional Services Division has the primary responsibility for delivering department programs and services to the general business community throughout the province. The division is comprised of the Field Services Branch and the Community Economic Development Branch, and also has responsibility for the Project Evaluation and Co-ordination Function.

Field Services Branch

The Field Services Branch is responsible for delivering department services and programs to the business community. The professional staff is decentralized through nine regional offices, located in the communities of Estevan, Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon, Swift Current, Tisdale and Yorkton.

The regional business representatives function as business generalists to clients throughout their regions. They provide: business information, including sources of financing, market statistics and business ratios; business counselling, advice to those starting a new business, expanding an existing business, or facing a specific business problem; and development assistance, by helping the client prepare his information prior to applying for financing for provincial or federal program assistance.

During the year 1982-83, regional offices responded to 6,042 requests for information or other assistance. These requests come from both existing businesses and people planning to start or buy a business. Highlights of the year's activities included:

— 5,495 requests for provision of general business information, sources of assistance, and general advice;
— 547 businesses requesting more in-depth assistance in obtaining advice in management areas and assistance in accessing government and other funding sources; and
— 577 businesses requesting assistance, resulting in referral to other provincial or federal assistance programs.

At year-end, regional representatives were working with:

— 276 Saskatchewan people planning to start or buy a business in 134 different Saskatchewan communities; and
— 208 new or expanding manufacturing businesses, 120 of these located outside the four major cities.

The Saskatchewan Mainstreet Program has been used by almost 5,000 firms over the five-year life of the program. Business areas in 241 communities have been revitalized and beautified by the program, administered jointly with Saskatchewan Urban Affairs.

Community Economic Development Branch

The Community Economic Development Branch is responsible for the provision of advisory and consultative services and the delivery of department programs to Saskatchewan's smaller communities. The branch: produces and distributes community profiles for approximately 120 Saskatchewan communities; provides advice and guidance on community development-related topics to town councils, development committees and other local organizations; and acts as a catalyst to bring business-related training courses and seminars to the smaller centres.

The branch administers the Main Street Development Program which, as a five-year program, came to its conclusion during the year 1982-83. The program was designed to assist local business communities and municipal authorities, through the provision of incentives, to initiate and carry out an ongoing program of revitalization of business districts.

Over the five-year life of the program, 241 communities received assistance for a total grant commitment by the department of $3,745,208. The estimated total value of improvements carried out over the period amounted to just under $12 million. Full program details are listed on page 16.

1982-83 saw the completion of the first year of the Community Economic Development pilot project. The experiment is based on the assumption that through the joint action of residents, smaller communities can have a positive influence on their future development. Development committees in 11 communities in the 1,000 - 5,000 population range participated in an economic development training program and in a series of planned activities to assess the economic potential of their town and to give them a better understanding of the development process.

One of the activities under the Community Economic Development pilot project was the identification of potential new business opportunities. These, in turn, were promoted by the department through advertising in several Canadian newspapers, resulting in more than one hundred inquiries to the branch and local development committees. A number of the communities have gained new commercial and professional services as a direct result of the program.

The branch continued to provide financial and advisory support to the Northwest Economic Development Council, a body assisting communities in the northwest central part of the province to maximize benefits from resource development in the area.

Financial assistance was again offered to defray part of the cost of attendance by community representatives at the Economic Development Program sponsored by the Industrial Developers Association of Canada in Waterloo, Ontario. Grants in 1982-83 amounted to $1,500, enabling three people to attend the course.

Project Evaluation and Co-ordination Function

Applications for assistance under the Small Industry Development Program, the Product Development Program, the Management Development Program, the Employment Opportunities Program, and the Special ARDA Program were evaluated and presented for final decision by the project co-ordinator. One of the main purposes of the function was to ensure that program regulations and criteria were equitably applied across the province.

Support Services Division

The Support Services Division carries out several staff functions in support of the department's line activities including strategic planning, communications, and budget and staff administration.

Planning Branch

Planning Branch carried out the following activities during 1982-83:
— analysis of industrial sectors;
— examination of key business functions;
— development of a business information infrastructure;
— participation in provincial and federal regulatory processes; and
— participation in department administrative activities.

Sectoral analyses developed by the branch attempted to improve the performance of existing businesses and to encourage the development of new businesses within specific sectors of the Saskatchewan economy. During 1982-83, the Planning Branch carried out major studies of the metal fabrication and computer service industries. In both studies, consultations with business identified sectoral problems. Completed studies were provided to businesses in the sector and follow-up actions were pursued in some instances. Preliminary work was done for sectoral studies in mining services, food and beverage industries, oilfield services industries and building material industries. An inventory of industrial buildings in Saskatoon and Regina was prepared for the city development offices, the real estate industry, and the development industry in these two cities.

Certain functions are common to most businesses. These include opportunity identification, research and development, financing, trade and marketing, accounting and auditing. By examining the nature of key business functions, Planning Branch sought to improve the capability of businesses across the whole spectrum of sectors in the Saskatchewan economy. Functions studied in 1982-83 included financing, research and development and marketing.

The branch carried out a study of the advisability of establishing government incentives which would lead to the creation of a Saskatchewan-based venture capital industry. In conjunction with other government departments, the branch reviewed the advisability of removing the Education and Health Tax on purchases of production machinery and equipment as a mechanism for reducing the financial requirements of Saskatchewan businesses. The branch also carried out several economic impact assessments to determine whether special financing concessions were warranted for specific companies.

The Planning Branch studied the research and development function in the province prior to developing a new technology policy. It also provided funds to study the development of a Centre of Advanced Technology at the University of Saskatchewan.

In the marketing area, the branch worked primarily at the policy level to improve the general environment in which Saskatchewan businesses sell their products. Numerous briefing packages for trade policy meetings, as well as a draft procurement policy, were developed. The draft policy was intended to increase sales of Saskatchewan products to major project developers in the province. It was discussed with a number of major project developers, including resource companies and various quasi-government institutions. The discussions informed major project proponents of the government's concerns in the procurement area. In other research, the Planning Branch analyzed the impact of the Crow's Nest Agreement on small business in Saskatchewan.

One of the priorities of the Planning Branch during 1982-83 was to improve the supply and availability of business information for business and government. To fulfill this goal, the branch: carried out a systematic survey of statistical and other information sources; reviewed the potential of various data sources; conducted a survey of needs; identified ways to match needs with sources; and implemented some of the systems recommended. The branch also led a departmental effort to upgrade the Industry and Commerce library. As a result, the department has greatly improved its capacity to: identify Saskatchewan manufacturers of particular products; provide investors with a broad range of information about the province and to provide Saskatchewan sellers with information on markets and marketing. A number of publications of interest to the business community were developed, including a *Handbook of Statistics*, *The Guide to Statistical Sources for Saskatchewan*, and a compilation of trade statistics. Finally, proposals were developed to make business information more readily available to the business community.

The branch participated in several regulatory activities. It reviewed 44 applications under The Foreign Investment Review Act which were sent

to the Government of Saskatchewan by the Government of Canada. The purpose of the review mechanism is to incorporate a provincial perspective into proposals being considered by The Foreign Investment Review Agency. During 1982-83, the federal government decided on 35 cases affecting Saskatchewan. The branch attends meetings of the Environmental Impact Assessment Review Panel, an interdepartmental committee established to assess the impact of major projects on the physical, social and economic environment of the province. In 1982-83, eight cases were reviewed by the branch.

The Planning Branch spent a considerable portion of its energies on administrative issues. It participated in the renegotiation of the Special Agriculture and Rural Development Act (ARDA) Agreement with the federal government. The branch carried out major evaluations of the following Industry and Commerce programs: the Small Industry Development Program; the Product Development Program; the Aid to Trade Program; the Management Development Program; the Employment Opportunities Program, the Community Economic Development Program; and the Community Profiles.

Other evaluation work was carried out. The branch monitored economic forecasts prepared by forecasting agencies. It itemized Saskatchewan's advantages as a place to invest in order to develop the basis for an investment promotion campaign. As well, the branch developed its internal capacity to carry out computerized statistical analysis, set up program management information systems for other branches in the department, and assisted in the operation of these systems.

Communications Branch

The Communications Branch works both independently and with other branches of the department to promote department objectives, programs and services.

An advertising campaign was designed in support of the Community Economic Development Pilot Project. The campaign produced excellent results (reported under the Community Economic Development Branch). Several other advertisements were placed in a variety of publications to promote export assistance, investment in the province, and specific products. A special supplement, including several articles and advertising, was placed in the bi-weekly publication of the Canada/China Trade Council.

The branch supervised the production and distribution of seven informational and/or promotional booklets. Changes were made to existing publications to reflect the change in government. The booklet "Energy Innovators" was prepared and printed in support of the Energex Show. As well, the branch co-ordinated the department display at the show.
Nine news releases containing business news items of information about the department's activities were written and distributed during the year. A regular column promoting new Saskatchewan-made products for the Saskatchewan Chamber of Commerce's "Business Review" was provided by the branch.

Branch staff wrote 15 speeches for senior government officials, responded to general inquiries, answered requests for information on the department by variety of catalogues and indices, and maintained a newspaper clipping service for the department. One press conference was organized in support of the Minister's European tour.

In January, 1983 the branch assumed responsibility for the department library and reference service. Staff contributed to the departmental effort, headed by Planning Branch, to upgrade the library service.

Administration Branch

The Administration Branch is responsible for the co-ordination of departmental administrative processes and the provision of support services to other department branches and divisions, in the areas of budgeting, accounting, property acquisition and control, space accommodation, personnel management, and co-ordination of systems development.

Some Administration Branch highlights for 1982-83 include:
- participation in department re-organization;
- improved procedures for monitoring and administering grant programs;
- review and assessment of department word processing requirements, resulting in the approval of upgraded equipment; and
- adaptation of the Program Management Information System for the department budget.

At year end, the department employed 83 full-time employees, plus 35 people hired on a temporary, casual or contractual basis.

Program Management Branch

The Program Mangement Branch is responsible for the management and co-ordination of most of the business incentive programs offered by the department, including: the Small Industry Development Program; the Product Development Program; the Management Development Program; the Small Business Interest Abatement Program; the Employment Opportunities Program; the Special ARDA Program, the Oilfield Services Assistance Program and the Operation Recycle Program.

Close co-ordination between branch staff, the Administration Branch and the Regional Services Division ensures that the management of departmental programs is carried out in an efficient and consistent manner.

Full details of the programs administered by the branch are listed on the following pages.

Program Summaries

Product Development Program

(administered by Program Management Branch)

Industry and Commerce provided financial assistance to Saskatchewan-based manufacturers and processors for the development of new products, to make changes or modifications to existing products, to develop new processes, or for mandatory testing required by regulatory agencies. In 1982-83, 60 applications totalling $367,817 were approved. This represented a 65 per cent increase in expenditures over the previous fiscal year.

The total cost of new product development in which the department participated was $855,063.

On a per project basis, industry expenditures averaged $14,250 on product development, to which the department contributed $6,130. Innovations and modifications assisted under this program included agricultural implements and equipment, petroleum drilling and servicing equipment, electronic equipment, and construction industry equipment products.

The Product Development Program was ended on December 31, 1982.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	60	41	36	29	36
Total Grants Approved	$367,817	$223,488	$248,047	$202,219	200,837
Total Expenditure by Applicants	$855,063	$590,058	$611,273	$521,606	$526,256

Small Industry Development Program

(administered by Program Management Branch)

This program offered incentives for the establishment or expansion of small manufacturing and processing industries. The department provided interest-free loans which were forgiven over a two-year period, provided terms and conditions of a contractual agreement were met.

In 1982-83, 90 applications were approved for loans totalling $499,565. Industrial projects assisted under the program were estimated to create 149 new jobs. The program provided an incentive to the manufacturing sector to increase capital expenditures by $3,042,686.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	90	117	79	91	65
Total Loans Approved	$ 499,565	$ 563,328	$ 442,492	$ 674,601	$ 517,944
Total Expenditure by Applicants	$3,042,686	$4,230,636	$2,911,796	$3,402,396	$2,777,607
Estimated Jobs Created	149	256	136	204	176

Analysis of the program has indicated that, in 50 per cent of the cases, the projects would not have proceeded without the loan. A further 30 per cent of the cases would have had to modify their projects or would have seen the project delayed. The remaining 20 per cent of the projects would have proceeded; however, the loan proved to be of significant benefit to the project.

The Small Industry Development Program was ended on December 31, 1982.

Management Development Program

(administered by Program Management Branch)

The department encourages Saskatchewan manufacturers to improve required management skills by providing financial assistance through the Management Development Program. Assistance may be provided to attend courses which contribute to the improvement of required skills and knowledge when a manufacturer is experiencing difficulties. The program also allows the department and client to share the cost of engaging the services of a management consultant to identify and resolve specific management problems.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	37	35	36	40	21
Disbursements	$25,096	$16,285	$25,266	$21,950	$13,049

Small Business Interest Abatement Program

(administered by Program Management Branch)

The purpose of this program was to stimulate small business investment in Saskatchewan by reducing the interest burden encountered by new or existing businesses which were expanding or improving facilities. Businesses in Saskatchewan with annual sales less than $500,000 could apply for an abatement grant on business loans provided that eligibility criteria of the program were met. For businesses in communities of less than 6,000 people, the grant (a maximum of $500 per year) reduced the effective interest rate on loans by 4 per cent. In communities with more than 6,000 people, businesses benefited to a maximum of $250 per year.

The Small Business Interest Abatement Program was ended on December 31, 1982.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications	379	807	439	490	590
Abatement Grants Approved	$179,870	$305,020	$157,160	$240,660	$228,530

Employment Opportunities Program

(administered by Program Management Branch)

The Employment Opportunities Program provides financial assistance to create and preserve employment for persons defined as eligible employees due to their lack of marketable life skills, because they have social, racial, cultural, or locational barriers, or mental, physical or other handicaps.
Effective April 1, 1983, the Employment Opportunities Program will be transferred to Saskatchewan Advanced Education and Manpower.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	25	45	54	28	43
Approved Grants	$260,273	$1,274,616	$1,662,435	$ 427,980	$1,006,167
Total Expenditure by Applicants	$646,755	$2,974,121	$2,144,440	$ 600,949	$2,040,383
Estimated Jobs	24	92	98	58	142

Special ARDA Program

(administered by Program Management Branch)

Special ARDA is a joint federal-provincial program designed to provide financial assistance, management advice, training, counselling, and other services for projects which will provide jobs, increase income, and improve living conditions for Indian and Metis people in rural areas of Saskatchewan.

As of March 31, 1982, the Special ARDA Program ended due to the expiry of the second five-year agreement with the Department of Regional Economic Expansion. Negotiations for a new contract were undertaken during fiscal year 1982-83. An extension of the Special ARDA Program was approved in September, 1982, which will allow for the continuance of assistance to native participants until the agreement expires on March 31, 1984.

Responsibility for administration of business applications under this program will be assumed by Tourism and Small Business when it becomes operational.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	1	56	36	17	13
Approved Grants - I&C and DREE	$178,150	$2,098,855	$1,563,499	$ 533,019	$ 276,078
Total Expenditure by Applicants	$440,770	$4,198,759	$1,870,324	$1,117,848	$ 554,325
Estimated Jobs Created	6	89	54	40	44

Operation Recycle Program

(administered by Program Management Branch)

Operation Recycle is a scrap vehicle recovery program designed to maintain a scrap-vehicle-free environment in the province. Vehicles which have been discarded are gathered, flattened and transported to Interprovincial Steel & Pipe Corporation Ltd. (IPSCO) in Regina, where the ferrous content is reused as furnace feed in the steel-making industry. Since 1972, over 150,000 tons of scrap vehicles have been removed from the Saskatchewan landscape, alleviating the disposal problem that discarded automobiles create in rural and urban areas.

Twenty-three contractors working in 63 contract areas gathered vehicles and placed them in 182 designated retention sites. Vehicles deposited in retention sites are transported to IPSCO as often as is necessary to prevent congestion. Sales of scrap vehicles increased 13 per cent in 1982-83 over the year previous. All sites are located on municipal or Crown property and are provided without cost to the program.

As of April 1, 1983, the Operation Recycle Program will be transferred to Saskatchewan Supply and Services.

Summary

	1982-83	1981-82	1980-81	1979-80	1978-79
Tons to IPSCO	15,446	13,176	13,131	13,231	16,485
Payments to Contractors	$1,249,611	$1,034,406	$756,248	$843,839	$1,027,945
Sales to IPSCO	$896,168	$791,042	$737,434	$656,408	$703,586

Oilfield Services Assistance Program

(administered by Program Management Branch)

The Oilfield Servicing Assistance Program (OSAP) was a temporary program introduced in 1981, and extended to December 31, 1982, to counter the inactivity in the oil service sector occuring over this period. The program addressed two specific industry concerns:

1) retention of key personnel; and
2) retention of key pieces of oil-servicing equipment.

OSAP was open to all firms in Saskatchewan that received:

1) 50 per cent of their total revenue from Saskatchewan sources; and
2) 70 per cent of their total revenue from the oil well servicing industry.

Assistance under OSAP included grants to employers for retaining employees on the payroll and payment of a portion of interest costs on capital equipment loans. Disbursements totalling $1,154,092 were made to 250 applicants throughout the province.

The Oilfield Servicing Assistance Program expired December 31, 1982.

Aid to Trade Program

(administered by Trade Branch)

Saskatchewan companies with export capabilities are eligible for assistance under Aid to Trade, provided that they have a product ready for sale. Each Aid to Trade project must be for either:

1) the introduction of a new product to market; or
2) the development of a new market for an existing product.

Summary

	1982-83	1981-82	1980-81	1979-80
Number of Projects	392	264	233	115
I&C Expenditure	$299,614	$215,699	$155,888	$69,827
Estimated Value of Sales Generated	$9,081,527	$8,181,100	$6,854,492	$6,477,838
Estimated Number of Jobs Created	90	102	88	80

Saskatchewan Main Street Development Program

(administered by Community Economic Development Branch)

1982-83 marked the final year for receipt of applications under the Main Street Development Program. Designed as a five-year program to assist local business communities and municipal authorities to initiate and carry out an ongoing program of revitalization of community business districts, the program provided incentives to physically upgrade business premises in Saskatchewan's smaller centres. Upgrading of public areas was assisted through incentives from Saskatchewan Urban Affairs.

Over the course of the program, a total of 4,960 business establishments in 241 communities have been assisted in making exterior improvements to their premises.

Summary

	Five-Year Total	1982-83	1981-82	1980-81	1979-80	1978-79
Number of Communities	241	52	28	71	76	14
Total Grant Commitment by I&C	$3,745,208	$ 679,278	$ 353,361	$1,060,569	$1,400,000	$252,000
Estimated Total Value of Improvements	$11,687,978	$1,987,622	$1,017,806	$3,221,550	$4,820,000	$641,000

POOR

QUALITY

ORIGINAL